Update: Price Gouging in Massachusetts

Following our March 18, 2020, GT Alert, Price Gouging in Massachusetts, on March 20, the attorney general of Massachusetts announced that her office has filed an emergency regulation to prohibit price gouging of essential products and services during the COVID-19 emergency. The emergency regulation amends 940 C.M.R. 3.18, which previously only addressed petroleum products, by adding two paragraphs that prohibit price gouging with regard to goods or services necessary for the health, safety or welfare of the public during a declared statewide or national emergency. The new paragraphs are:

(3) It shall be an unfair or deceptive act or practice, during any declared statewide or national emergency, for any business at any point in the chain of distribution or manufacture to sell or offer to sell to any consumer or to any other business any goods or services necessary for the health, safety or welfare of the public for an amount that represents an unconscionably high price.

(4) A price is unconscionably high for the purposes of Paragraph 3 of this Section if:

(a) there is gross disparity between the price charged or offered and

1. the price at which the same good or service was sold or offered for sale by the business in the usual course of business immediately prior to the onset of the declared statewide or national emergency, or

2. the price at which the same or similar product is readily obtainable from other businesses; and
(b) the disparity is not substantially attributable to increased prices charged by the business’s suppliers or increased costs due to an abnormal market disruption.

For more information and updates on the developing situation, visit GT’s Health Emergency Preparedness Task Force: Coronavirus Disease 2019.

Authors

This GT Alert was prepared by:

- David G. Thomas | +1 617.310.6040 | thomasda@gtlaw.com
- Robert A. Sherman | +1 617.310.6015 | shermanr@gtlaw.com
- Mian R. Wang | +1 617.310.6273 | wangm@gtlaw.com